

# Penn State Report

The Penn State Alumni Association  
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Penn State's fragile financial situation, which we described in the August Penn State Report, was unchanged at press time, although the Pennsylvania Legislature was to begin working out a plan for nonpreferred appropriations when its recess ended September 26. Earlier in the month, President John W. Oswald published an open letter to the Penn State community stressing the urgency of the situation and pleading for cooperation to ensure the continued strength of the University. Realizing the depth of alumni interest and concern, we reprint that open letter here.

## An Open Letter to the Penn State Community:

As the Fall Term begins, I realize that many of you have questions, anxieties, and perhaps some sense of confusion about the current budgetary impasse at the University in regard to the lack of an appropriation from the State Legislature. If some of you have been out of touch with developments this summer, let me state simply that the Legislature in late August passed a State budget eliminating *all* support to higher education at Penn State, Pitt, Temple, Lincoln, and the large number of private institutions that receive State grants and used these funds to support other agencies in the State.

Comments I made at the Summer Commencement exercises on August 27 relate to this unprecedented circumstance. I quote a few paragraphs here:

"This morning as I stand before you, I am more frustrated than I have ever been in my professional career spanning three major state universities.

"Most of you are aware of the legislative battle that has occurred in the last several days in the State in the effort to settle on a budget. The Legislature of our State has recently passed a budget providing some 300 million dollars of increases to branches of State Government, increases for State workers, for school subsidies, for the State colleges, special help for Philadelphia programs, and a host of other programs — none of whose value I argue with.

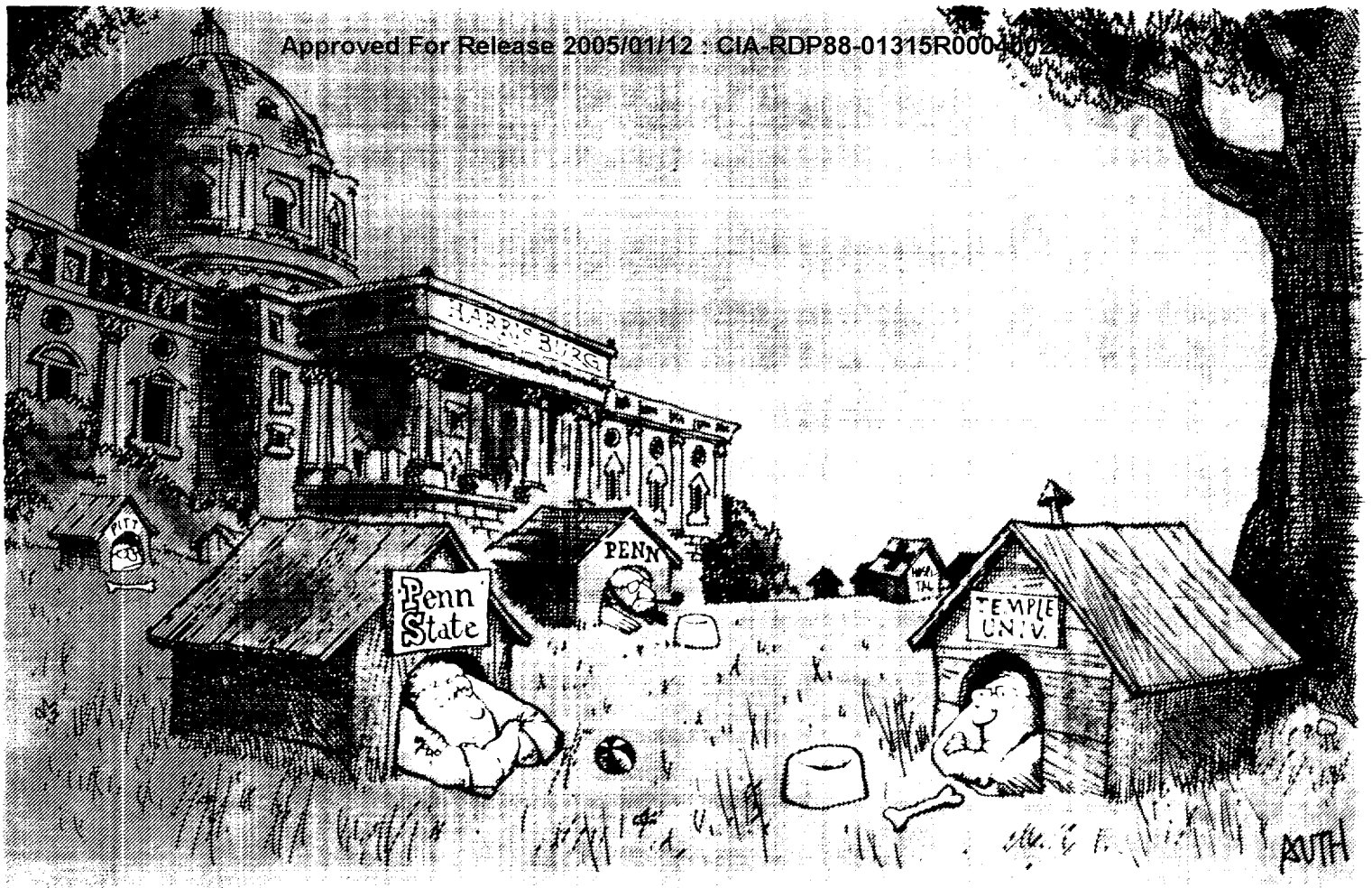
"My total frustration comes from the fact that to secure this 300 million dollars, the Legislature did not come to grips with the revenue problem and taxes. Rather it delayed action on taxes and took all of the funds that are normally appropriated for Penn State, Pitt, and Temple — and appropriated this money to provide for increases to meet the needs of other State responsibilities.

"This leaves Penn State at this point with zero dollars from the Commonwealth. To operate — and operate we will — we must borrow the funds, incurring the necessary interest that goes with borrowing.

"Several State leaders and the Governor gave absolute assurance that as soon as the Legislature returns in late September, consideration of University appropriations and the necessary taxes to support them will be given highest priority. My deep concern is that we have been placed in the situation that the burden for raising taxes, which is difficult at any time, appears now solely, only, and totally to relate to one activity of the State — namely, higher education — and not to total needs of the Commonwealth.

"Higher education is as bipartisan as anything that exists in this State. We are neither a Democratic nor a Republican University; we are a University of all the people of this State. At times during this partisan argument, people from both sides of the aisle urged me to get into the fray. I could not and will not drag this University into a partisan debate."

Frustration need not mean discouragement. Rather, it can challenge us to overcome adversity. We must maintain our faith that reason and good sense will prevail. It is beyond belief that the Commonwealth could let the foundations of this University and university system be jeopardized by such a policy. I would let Ohio State



University slip away, or the State of Michigan let the University of Michigan or Michigan State University slip away. I am certain that good sense will prevail when the Legislature reconvenes to consider our appropriation September 26.

In addition, we must exercise patience and perspective in dealing with frustration. Penn State is a university that has existed for 118 years and has graduated more than 200,000 young people -- some 100,000 of whom live and work within Pennsylvania, many of them in positions of key leadership. Penn State must -- and will -- continue to provide quality education, essential public services, and vital research. The future of our young people, the health of Pennsylvania's economy, and the very life of the Commonwealth demand it.

We will continue this Fall Term to operate under the most stringent economies and with borrowed money. We can take encouragement in knowing that a great many people are working together on behalf of Penn State as we marshal our efforts to emerge from this budgetary crisis with an appropriation adequate for the quality of services we are committed to provide. Together we must do everything possible and leave no stone unturned to see that Penn State continues as a strong University. Each of us, in our own way, can contribute to this strength.

Sincerely,

*John W. Oswald*  
John W. Oswald  
President

## Biting the Bullet

While President Oswald was marshalling efforts to emerge from the immediate budgetary crisis, University officials already were preparing a draft budget required by the state at this time for the 1978-79 year, and ominous signs were appearing in the Capitol where each state department had been asked to prepare two budget requests for next year--one of them to reflect a five percent cutback.

Dr. Maurice K. Goddard, secretary for the state Department of Environmental Resources, told the University Board of Trustees that in the face of such a request he does not see the General Assembly "allowing the non-preferreds more than the preferreds." The non-preferred appropriations are those granted to state-related institutions such as Penn State after the preferred general state budget is passed.

As for the current year, with no state money since the end of June, Penn State will have borrowed \$27 million by October 1, at which time interest will have risen to \$3,000 a day.

With no state funding, the University could not operate, the President said, explaining, "Tuition would have to increase threefold to the level of Harvard and Yale. Then we'd lose half the student body and still wouldn't be able to operate."

Student enrollment is holding to projections made by the administration for a decrease of 2.0 to 2.3 percent by 1980, Dr. Oswald noted. A preliminary survey of Fall Term enrollment showed University Park enrollment up five-tenths of a percent, but overall enrollment on the 22 campuses down four-tenths of one percent.

## Strike Postponed

A strike planned by the University's technical service employees for the early days of Fall Term was temporarily averted when President Oswald's request for fact finding was granted by the Pennsylvania Labor Relations Board.

The fact finding--postponing for at least 60 days any strike action--was ordered by the PLRB following an impasse between Penn State and Teamsters Local No. 8 at the conclusion of wage negotiations last August. Formal hearings were scheduled for September

27 and 28.  
The University reported it had offered a salary increase averaging 5 percent and a 66 percent increase in surgical benefits. Its salary offer was at the same increase level that is being provided for other University employees and was made despite continued uncertainty on the timing or amount of any state appropriation.

The Union, originally seeking a 15 percent wage hike, had reduced its request to 8 percent and rejected Penn State's 5 percent offer in a 654-219 vote. Some 2,600 technical service employees are union members.

## CIA Research 'Basic'

When CIA Director Stansfield Turner told Senate investigators in August the names of the 80 institutions that conducted its secret experiments in the 1950s and 1960s, Penn State was on the list.

Notified by the agency that it was among institutions at which some portion of CIA-sponsored research was performed, the University--besieged by a questioning public and news media concerned over rumors of mind-control projects--quickly requested details.

The government's response last month showed that the Penn State research was not classified but was basic research which was subsequently published in scientific journals.

According to Dr. Richard G. Cunningham, vice president for research and graduate studies, four sub-projects were funded through a cover agency, the Geschickter Fund for Medical Research.

"The University was not aware of the CIA backing," Dr. Cunningham reported.

"The documents show that no human experimentation was involved," he added, noting, "The principal investigators were microbiologists and physicists, and the work took place in the College of Agriculture and the College of Chemistry and Physics, which is now the College of Science."

Dr. Cunningham said the research projects involved investigations in soil ecology, physical measurements on biologically active materials, occurrence of arboviruses in birds, and consulting services in microbiology.

He said that the documents received from the CIA indicate that the studies during 1959-65 were of a basic research nature which

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apparently had the national defense use in detecting and identifying chemical warfare and biological warfare-related materials.

## Med Center Growing

Penn State's Milton S. Hershey Medical Center has been open to patients for only seven years and already it has had to expand facilities to accommodate a burgeoning patient load.

The new Ambulatory Care Center, doubling the capacity for outpatient services, was opened last month in a 42,000-square-foot wing which, when completed, will raise the value of buildings, land and equipment at the Medical Center to over \$80 million.

The expansion, plus accompanying revisions to the existing building still under way, are expected to cost \$6.1 million, including \$2.3 million for equipment. The cost will be amortized by income produced by increased services. No state funds have been used for construction or equipment for this project or for any other construction at the Medical Center in the past.

In his keynote remarks at the ribbon-cutting, President Oswald noted that during the past fiscal year there were almost 123,000 patient visits to the Center's outpatient clinics and department of family and community medicine. The number of outpatients has increased fourfold over the past seven years and is expected to double by the early 1980s.

Growth has been parallel at the College of Medicine where the first class of 40 enrolled in 1967 and the eleventh class of 94 enrolled this year. Current total enrollment is 373.

## Alumni of Distinction

"May our lives but swell thy fame, Dear Old State."

That well known plea from the Alma Mater is one that has been answered with a flourish for at least one group of Penn Staters. We know them as Distinguished Alumni, a title designating Penn State's highest tribute, paid to those whose personal, professional, and community achievements have been outstanding.

Since first awarded in 1951, the title has been conferred upon 195 alumni. Numbered among them are actors, publishers, writers, designers, engineers, geneticists, teachers, economists, agronomists--even an astronaut. They will be joined this coming year by another handful of

candidates recommended by the trustees, faculty, staff and alumni.

Readers interested in nominating Penn Staters of distinction for consideration may do so before November 25 by submitting the nominee's name and complete biographical information to the Alumni Office, 105 Old Main, University Park, PA 16802.

## Next the Concorde?

From now on when you fly into Happy Valley you can leave the broomstick at home with your cauldron. Two grant agreements between the University and the Federal Aviation Administration are providing \$511,000 for work at University Park airport to improve safety conditions and security. The FAA is paying 90 percent of the cost and the remaining \$51,000 will come from funds provided to Penn State as gifts.

Among the improvements will be a joining of two sections of taxiway and a clearing of trees at runway approaches as required for installation of the instrument landing system which is expected to be completed next summer.

## Wanted: Choir Names

Notice to all past members of Chapel Choir, Meditation Chapel Choir, Concert Choir, Penn State Singers, and All-Faith Choir: If you are not on the Choir Alumni mailing list please send your name, address, and year of graduation to the Choir Office, 214 Eisenhower Chapel. Spring of 1978 is the 30th anniversary of the annual spring concert, and the choirs are trying to round up all their members to get in touch before the event.

## New Plans for AVC

A new twist is being added to the Alumni Vacation College for 1978. Participants will be able to choose between two academic options--a single theme studied in depth for five days, or the standard program featuring a different topic each day. The recreation and entertainment opportunities will be similar to those of past years, and the AVC will again take place during the week of the Central Pennsylvania Festival of the Arts, July 9-15. More detailed information and reservation forms will be carried in the January issue of The Penn Stater magazine.